

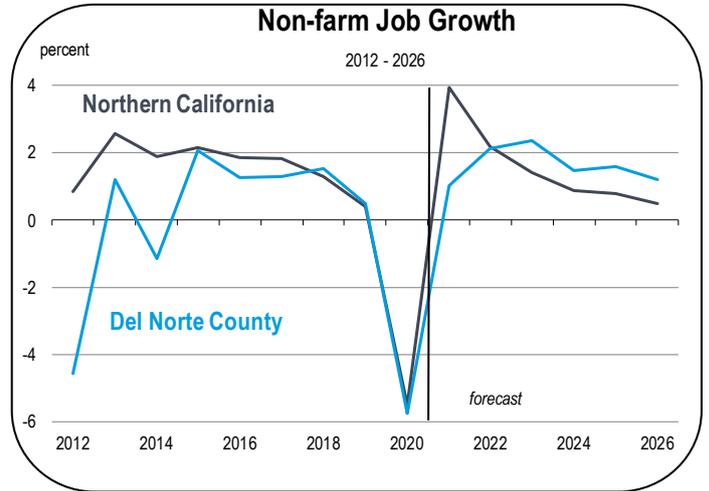
Del Norte County Economic Forecast

Forecast Summary

- In Del Norte County, the recovery from the Coronavirus Recession is expected to be slow.
- Fewer than 100 jobs will be restored in 2021, but job creation will accelerate in 2022 and 2023.
- Over the 2021-2026 forecast period, total employment in Del Norte County is expected to increase by approximately 800 jobs.
- Government, leisure services, and healthcare will be responsible for virtually all job creation during the forecast period.
- The unemployment rate averaged 9.5 percent in 2020. It is forecast to average 7.4 percent in 2021 and 6.2 percent in 2022.
- The Del Norte County population is expected to decline during the forecast period due to a low birth rate and consistent out-migration.
- The median home price increased by 11 percent in 2020. Home prices are expected to increase by 6 percent in 2021 and 4 percent in 2022.

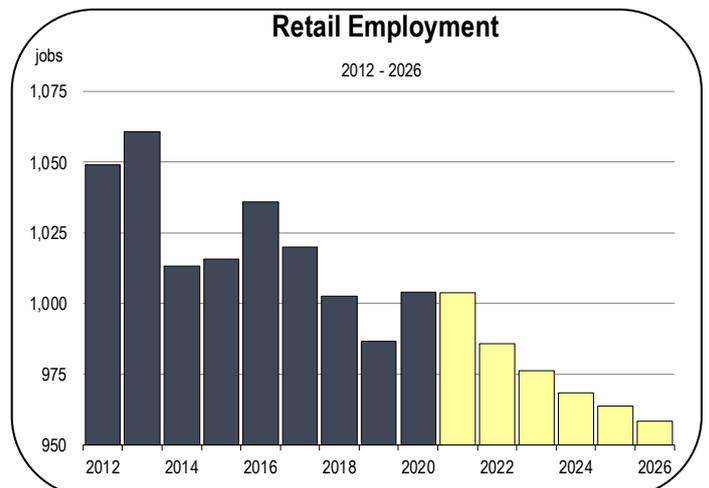
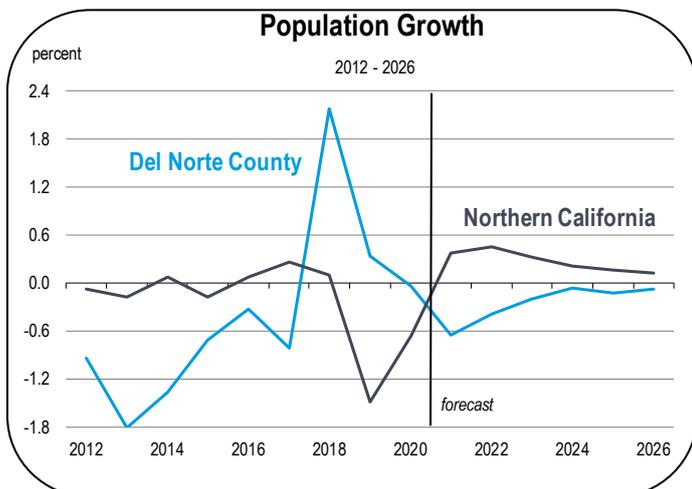
Job Growth

- Total employment in the County will increase by only 1 percent in 2021 after declining by 6 percent in 2020.
- Job creation will accelerate to a range of 2 percent to 3 percent in 2021 and 2022. A full labor market recovery is not expected until 2023 or 2024.

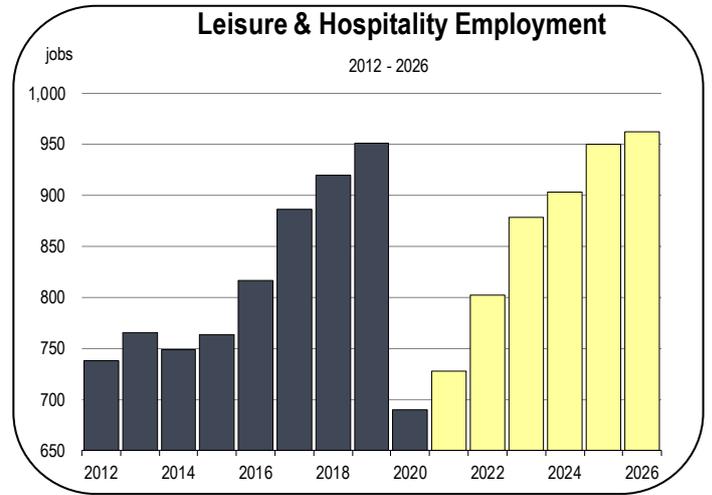
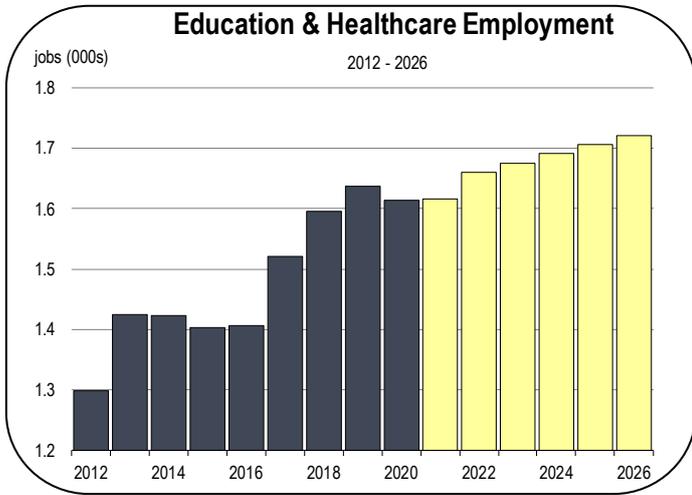


Retail Trade Employment

- Employment in the retail sector is expected to decline over the forecast period.
- The retail industry has been under pressure for years as competition from online stores has led to lower levels of employment at local brick-and-mortar shops.
- The transition to online shopping will lead to further consolidation of local retail jobs over the long-term.



Del Norte County Economic Forecast



Private Education and Healthcare Employment

- The healthcare expansion stalled in 2020, but additional job growth is expected over the 2021-2026 forecast period.
- The largest employer is Sutter Coast Hospital, which has between 250 and 500 employees in Crescent City.
- In 2022 and 2023, employee recruitment will be the biggest risk to job growth. Hospitals and other healthcare facilities have struggled to fill open positions during the COVID-19 pandemic. Job creation will partially depend on the willingness and ability of local residents to enter the healthcare workforce.
- There are very few jobs in private educational institutions in Del Norte County (public schools are included in the government sector).

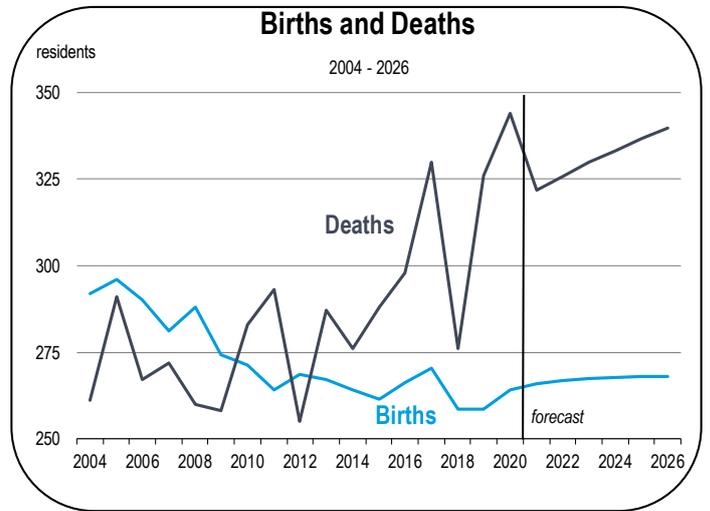
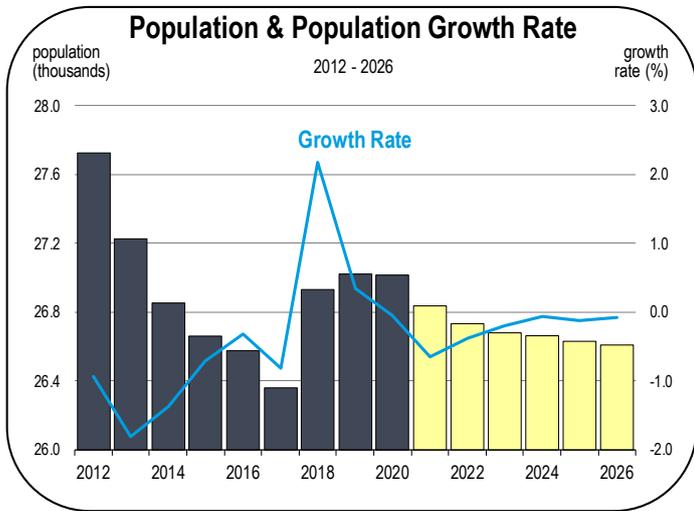
Leisure and Hospitality Employment

- In 2020 the leisure and hospitality sector lost almost a third of its workforce.
- Leisure and hospitality employment is expected to rebound slowly. A full recovery may not be observed until 2025 or 2026.
- The largest visitor attractions are the casinos in Crescent City and Smith River. They each employ between 100 and 250 employees.
- The Elk Valley Rancheria Casino is in the process of building a new gaming facility, which should allow it to expand its employee headcount. It is expected to be completed sometime in 2022.



Howonquet Lounge at the Lucky 7 Casino in Smith River

Del Norte County Economic Forecast

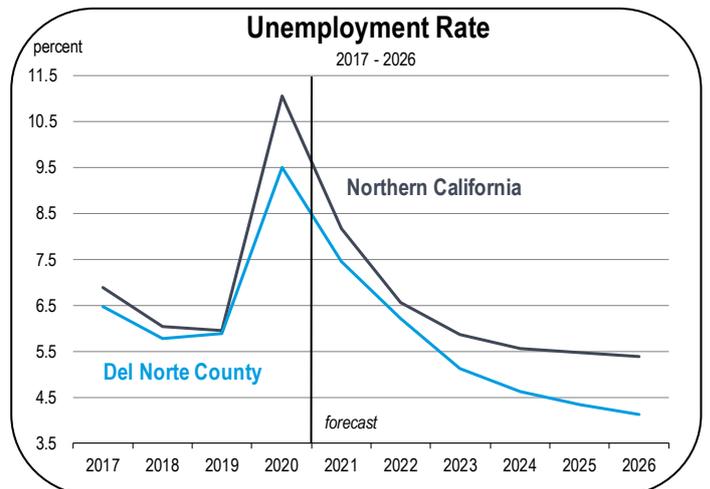
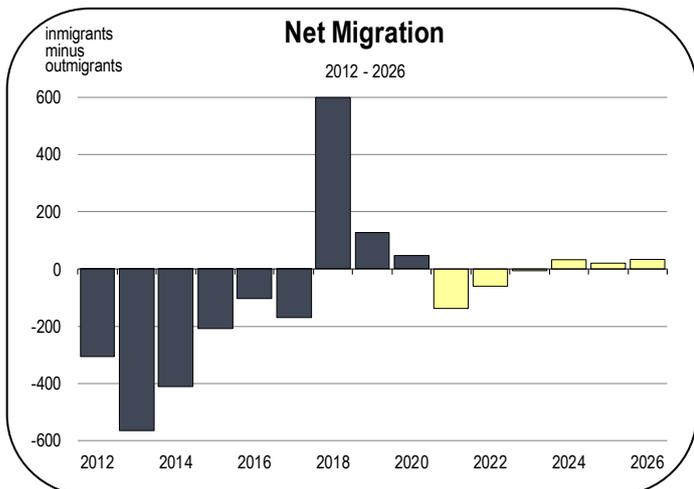


Population Growth

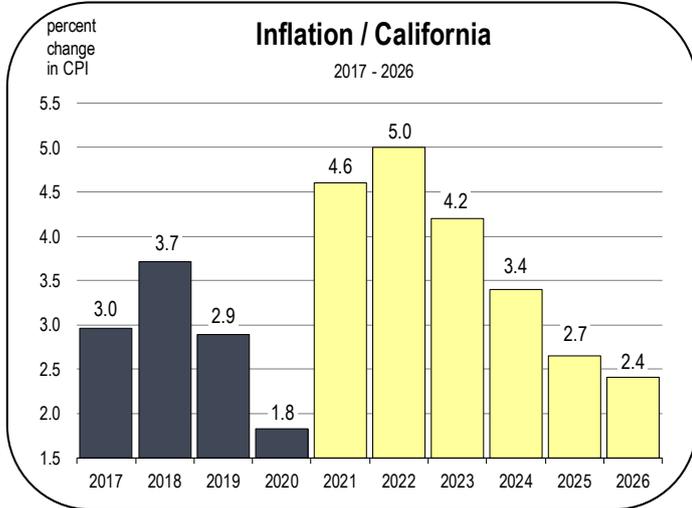
- The Del Norte County population is expected to decline between 2021 and 2026.
- The number of residents moving out of Del Norte County is expected to exceed the number of people moving into the county during the early years of the forecast period.
- Del Norte County has an older population base with a low birth rate, and the number of deaths in the county has begun to surpass the number of births. This situation is expected to persist over the entire forecast period.
- Between 2021 and 2026, the population is expected to decline at an annual average rate of 0.3 percent.

Unemployment and Inflation Rates

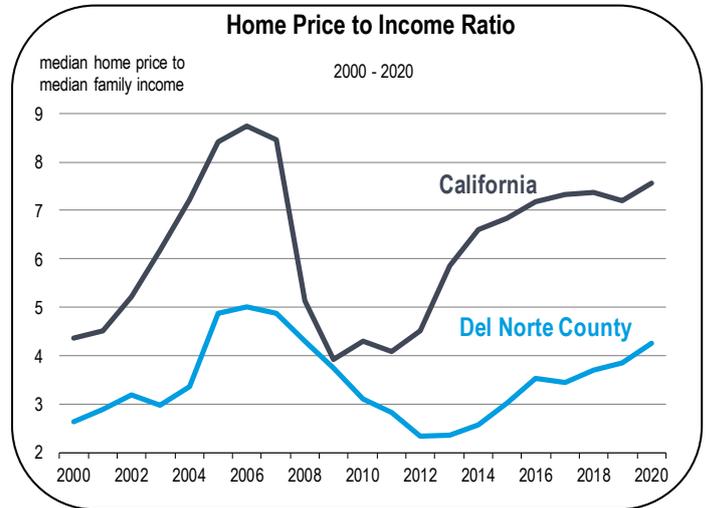
- The unemployment rate in Del Norte County averaged 9.5 percent in 2020.
- The unemployment rate is expected to average 7.4 percent in 2021 and 6.2 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies
 - Fractures in the global supply chain that raise the cost of production for many businesses



Del Norte County Economic Forecast



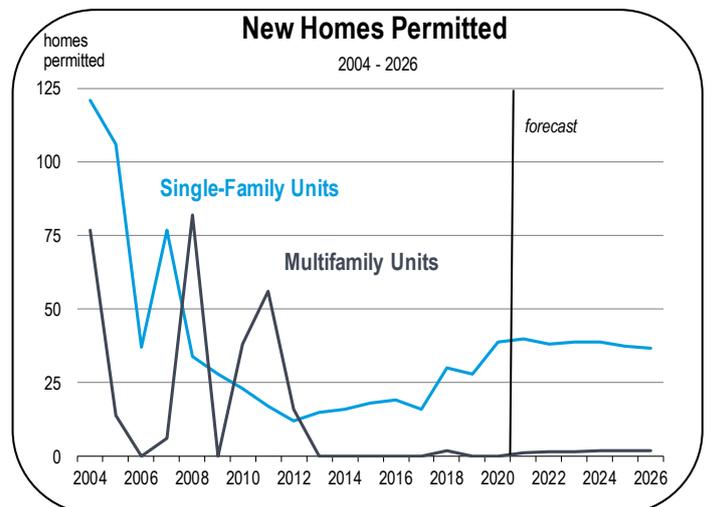
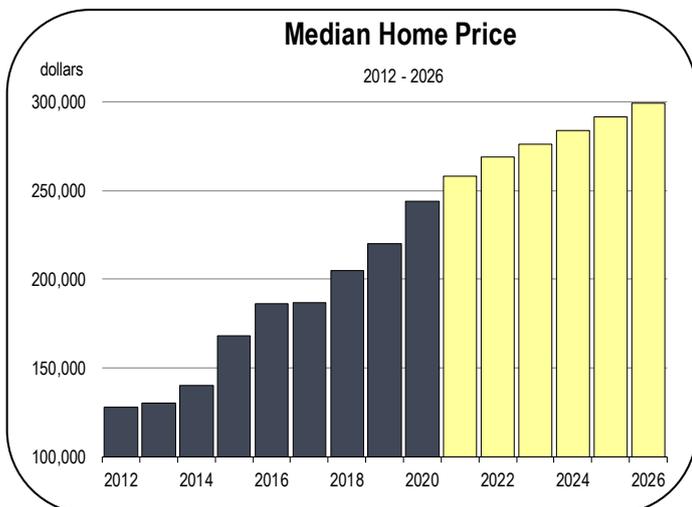
- Sharp increases in the cost of housing and energy
- Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.



- The median price is expected to approach \$270,000 by 2022 and reach almost \$300,000 by 2026.
- Despite these price increases, homes in Del Norte County are much more affordable than homes in many other parts of California.
- In Del Norte County, the typical household spends less than 20 percent of its income on housing costs. In Coastal California, households often spend 35-50 percent on mortgage payments or rent.
- From 2015 to 2020, an average of 25 new homes were started per year in Del Norte County. Almost all were single-family homes.
- Housing production is expected to average 35 to 45 units per year from 2021 to 2026, consisting primarily of single-family homes.

Home Prices and New Housing Production

- In 2020 the median home price in Del Norte County was \$244,200.



Del Norte County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (millions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	26,661	9.9	-209	18	27.2	\$937	\$176	\$240	\$21	\$40,244	8.6	\$54	1.4
2016	26,575	9.9	-104	19	28.0	\$975	\$178	\$246	\$23	\$41,031	7.6	\$53	2.3
2017	26,360	10.0	-170	16	27.1	\$985	\$180	\$247	\$23	\$40,585	6.5	\$52	3.0
2018	26,933	10.0	598	32	27.6	\$1,022	\$188	\$241	\$22	\$39,771	5.8	\$51	3.7
2019	27,024	10.0	128	28	28.3	\$1,070	\$195	\$251	\$23	\$40,308	5.9	\$51	2.9
2020	27,013	10.0	48	39	28.5	\$1,131	\$224	\$299	\$23	\$41,855	9.5	\$52	1.8
2021	26,836	10.1	-138	41	28.3	\$1,173	\$214	\$287	\$24	\$42,532	7.4	\$52	4.6
2022	26,733	10.1	-60	40	28.2	\$1,183	\$209	\$278	\$24	\$41,835	6.2	\$52	5.0
2023	26,680	10.1	-6	41	28.2	\$1,241	\$210	\$280	\$23	\$42,949	5.1	\$52	4.2
2024	26,663	10.2	32	41	28.2	\$1,304	\$211	\$281	\$23	\$44,064	4.6	\$52	3.4
2025	26,631	10.2	20	39	28.2	\$1,366	\$215	\$286	\$23	\$45,155	4.3	\$52	2.7
2026	26,609	10.2	34	39	28.2	\$1,422	\$219	\$290	\$25	\$46,034	4.1	\$52	2.4
2027	26,555	10.3	6	37	28.1	\$1,476	\$222	\$295	\$27	\$46,862	4.0	\$53	2.2
2028	26,510	10.3	17	38	28.1	\$1,530	\$226	\$300	\$28	\$47,581	3.9	\$53	2.3
2029	26,455	10.3	10	37	28.1	\$1,579	\$232	\$307	\$29	\$48,114	3.8	\$53	2.2
2030	26,371	10.4	-16	36	28.0	\$1,628	\$238	\$315	\$30	\$48,687	3.7	\$53	2.2
2031	26,284	10.4	-13	36	27.9	\$1,676	\$243	\$322	\$31	\$49,256	3.7	\$53	2.3
2032	26,191	10.4	-15	36	27.9	\$1,725	\$248	\$329	\$32	\$49,732	3.7	\$53	2.2
2033	26,075	10.5	-34	35	27.8	\$1,775	\$253	\$336	\$33	\$50,447	3.6	\$53	2.0
2034	25,955	10.5	-33	35	27.7	\$1,827	\$259	\$343	\$34	\$51,087	3.6	\$54	2.1
2035	25,828	10.5	-37	35	27.6	\$1,879	\$265	\$352	\$35	\$51,680	3.6	\$54	2.1
2036	25,685	10.6	-51	34	27.5	\$1,933	\$273	\$362	\$36	\$52,095	3.6	\$54	2.2
2037	25,547	10.6	-42	35	27.4	\$1,988	\$281	\$373	\$36	\$52,443	3.6	\$54	2.2
2038	25,387	10.6	-63	34	27.3	\$2,044	\$288	\$383	\$37	\$52,945	3.6	\$54	2.2
2039	25,239	10.7	-50	34	27.2	\$2,102	\$296	\$393	\$37	\$53,324	3.7	\$54	2.2
2040	25,072	10.7	-66	33	27.1	\$2,160	\$304	\$404	\$37	\$53,767	3.7	\$54	2.1
2041	24,919	10.7	-52	34	27.0	\$2,216	\$311	\$413	\$37	\$54,308	3.7	\$55	2.2
2042	24,747	10.7	-70	33	26.9	\$2,271	\$317	\$422	\$35	\$54,895	3.7	\$55	2.1
2043	24,571	10.8	-74	33	26.7	\$2,326	\$324	\$431	\$35	\$55,515	3.7	\$55	2.0
2044	24,395	10.8	-74	33	26.6	\$2,381	\$330	\$439	\$35	\$56,231	3.8	\$55	2.2
2045	24,213	10.8	-79	33	26.5	\$2,437	\$337	\$448	\$35	\$56,897	3.8	\$55	2.2
2046	24,020	10.9	-91	33	26.3	\$2,491	\$344	\$457	\$36	\$57,480	3.8	\$55	2.2
2047	23,821	10.9	-97	32	26.2	\$2,544	\$352	\$468	\$35	\$57,899	3.8	\$55	2.2
2048	23,617	10.9	-103	32	26.0	\$2,596	\$360	\$479	\$34	\$58,272	3.9	\$55	2.3
2049	23,409	10.9	-107	32	25.9	\$2,649	\$368	\$490	\$34	\$58,810	3.9	\$56	2.0
2050	23,201	11.0	-108	32	25.7	\$2,704	\$377	\$501	\$34	\$59,321	4.0	\$56	2.1

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	8,130	308	152	77	0	1,016	186	209	80	1,403	763	3,838
2016	8,230	311	161	98	0	1,036	182	224	83	1,407	817	3,820
2017	8,350	325	172	122	0	1,020	180	211	80	1,522	887	3,722
2018	8,470	331	189	137	0	1,003	171	185	72	1,595	920	3,767
2019	8,490	307	199	153	0	987	164	171	68	1,637	951	3,757
2020	8,020	311	208	141	0	1,004	153	159	57	1,614	690	3,581
2021	8,100	311	217	146	0	1,004	153	165	56	1,616	728	3,601
2022	8,270	312	216	148	0	986	153	165	55	1,660	802	3,664
2023	8,460	312	217	143	0	976	151	165	54	1,675	878	3,777
2024	8,580	312	217	143	0	968	149	165	54	1,691	903	3,867
2025	8,710	312	216	143	0	964	146	165	53	1,706	950	3,947
2026	8,810	310	215	151	0	958	142	165	53	1,721	962	4,021
2027	8,890	308	214	165	0	954	138	166	52	1,733	975	4,079
2028	8,930	306	214	168	0	948	135	167	52	1,745	967	4,124
2029	8,980	305	214	173	0	944	133	167	51	1,756	958	4,175
2030	9,030	304	213	180	0	940	130	167	51	1,765	949	4,219
2031	9,050	304	212	183	0	934	126	168	51	1,773	950	4,245
2032	9,090	303	212	188	0	929	123	168	50	1,780	952	4,279
2033	9,120	303	212	196	0	923	121	169	50	1,785	954	4,301
2034	9,140	303	211	199	0	917	119	169	50	1,789	956	4,315
2035	9,140	303	211	205	0	911	117	169	50	1,792	947	4,327
2036	9,140	303	211	207	0	905	115	169	49	1,794	949	4,330
2037	9,130	303	211	208	0	898	114	170	49	1,795	941	4,328
2038	9,110	303	210	210	0	891	112	170	49	1,795	942	4,323
2039	9,100	303	210	212	0	884	111	170	49	1,795	939	4,317
2040	9,080	304	210	212	0	877	110	170	49	1,794	938	4,314
2041	9,060	304	210	208	0	870	108	169	49	1,792	938	4,300
2042	9,020	304	209	198	0	863	107	169	48	1,789	939	4,286
2043	8,990	304	209	195	0	855	106	168	48	1,786	941	4,271
2044	8,960	304	209	191	0	848	105	168	48	1,781	943	4,258
2045	8,940	304	209	193	0	841	103	168	48	1,777	945	4,240
2046	8,900	304	209	193	0	833	102	168	48	1,770	947	4,218
2047	8,850	304	209	190	0	825	101	168	48	1,763	948	4,187
2048	8,800	304	208	185	0	817	100	168	49	1,756	950	4,152
2049	8,740	305	208	180	0	810	98	167	49	1,747	952	4,122
2050	8,700	305	208	182	0	802	97	167	49	1,738	954	4,086

Del Norte County Economic Forecast

Socioeconomic Indicators

